

# SENATE, No. 2496

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED APRIL 16, 2018

**Sponsored by:**

**Senator DECLAN J. O'SCANLON, JR.**

**District 13 (Monmouth)**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Senators Corrado and Turner**

**SYNOPSIS**

Establishes license to allow wineries that produce more than 250,000 gallons per year to directly ship wine to consumers.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/15/2019)**

1 AN ACT concerning direct shipment of wine and amending  
2 R.S.33:1-10.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7 1. R.S.33:1-10 is amended to read as follows:

8 33:1-10. Class A licenses shall be subdivided and classified as  
9 follows:

10 Plenary brewery license. 1a. The holder of this license shall  
11 be entitled, subject to rules and regulations, to brew any malt  
12 alcoholic beverages and to sell and distribute his products to  
13 wholesalers and retailers licensed in accordance with this chapter,  
14 and to sell and distribute without this State to any persons pursuant  
15 to the laws of the places of such sale and distribution, and to  
16 maintain a warehouse; provided, however, that the delivery of this  
17 product by the holder of this license to retailers licensed under this  
18 title shall be from inventory in a warehouse located in this State  
19 which is operated under a plenary brewery license. The fee for this  
20 license shall be \$10,625.

21 Limited brewery license. 1b. The holder of this license shall  
22 be entitled, subject to rules and regulations, to brew any malt  
23 alcoholic beverages in a quantity to be expressed in said license,  
24 dependent upon the following fees and not in excess of 300,000  
25 barrels of 31 fluid gallons capacity per year and to sell and  
26 distribute this product to wholesalers and retailers licensed in  
27 accordance with this chapter, and to sell and distribute without this  
28 State to any persons pursuant to the laws of the places of such sale  
29 and distribution, and to maintain a warehouse; provided, however,  
30 that the delivery of this product by the holder of this license to  
31 retailers licensed under this title shall be from inventory in a  
32 warehouse located in this State which is operated under a limited  
33 brewery license. The holder of this license shall be entitled to sell  
34 this product at retail to consumers on the licensed premises of the  
35 brewery for consumption on the premises, but only in connection  
36 with a tour of the brewery, or for consumption off the premises in a  
37 quantity of not more than 15.5 fluid gallons per person, and to offer  
38 samples for sampling purposes only pursuant to an annual permit  
39 issued by the director. The holder of this license shall not sell food  
40 or operate a restaurant on the licensed premises. The fee for this  
41 license shall be graduated as follows:

42 to so brew not more than 50,000 barrels of 31 liquid gallons  
43 capacity per annum, \$1,250;

44 to so brew not more than 100,000 barrels of 31 fluid gallons  
45 capacity per annum, \$2,500;

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 to so brew not more than 200,000 barrels of 31 fluid gallons  
2 capacity per annum, \$5,000;

3 to so brew not more than 300,000 barrels of 31 fluid gallons  
4 capacity per annum, \$7,500.

5 For the purposes of this subsection, "sampling" means the selling  
6 at a nominal charge or the gratuitous offering of an open container  
7 not exceeding four ounces of any malt alcoholic beverage. For the  
8 purposes of this subsection, "product" means any malt alcoholic  
9 beverage that is produced on the premises licensed under this  
10 subsection.

11 Restricted brewery license. 1c. The holder of this license shall be  
12 entitled, subject to rules and regulations, to brew any malt alcoholic  
13 beverages in a quantity to be expressed in such license not in excess  
14 of 10,000 barrels of 31 gallons capacity per year. Notwithstanding  
15 the provisions of R.S.33:1-26, the director shall issue a restricted  
16 brewery license only to a person or an entity which has identical  
17 ownership to an entity which holds a plenary retail consumption  
18 license issued pursuant to R.S.33:1-12, provided that such plenary  
19 retail consumption license is operated in conjunction with a  
20 restaurant regularly and principally used for the purpose of  
21 providing meals to its customers and having adequate kitchen and  
22 dining room facilities, and that the licensed restaurant premises is  
23 immediately adjoining the premises licensed under this subsection.  
24 The holder of this license shall be entitled to sell or deliver the  
25 product to that restaurant premises. The holder of this license also  
26 shall be entitled to sell and distribute the product to wholesalers  
27 licensed in accordance with this chapter. The fee for this license  
28 shall be \$1,250, which fee shall entitle the holder to brew up to  
29 1,000 barrels of 31 liquid gallons per annum. The licensee also shall  
30 pay an additional \$250 for every additional 1,000 barrels of 31 fluid  
31 gallons produced. The fee shall be paid at the time of application  
32 for the license, and additional payments based on barrels produced  
33 shall be paid within 60 days following the expiration of the license  
34 term upon certification by the licensee of the actual gallons brewed  
35 during the license term. No more than 10 restricted brewery  
36 licenses shall be issued to a person or entity which holds an interest  
37 in a plenary retail consumption license. If the governing body of the  
38 municipality in which the licensed premises will be located should  
39 file a written objection, the director shall hold a hearing and may  
40 issue the license only if the director finds that the issuance of the  
41 license will not be contrary to the public interest. All fees related to  
42 the issuance of both licenses shall be paid in accordance with  
43 statutory law. The provisions of this subsection shall not be  
44 construed to limit or restrict the rights and privileges granted by the  
45 plenary retail consumption license held by the holder of the  
46 restricted brewery license issued pursuant to this subsection.

47 The holder of this license shall be entitled to offer samples of its  
48 product for promotional purposes at charitable or civic events off

1 the licensed premises pursuant to an annual permit issued by the  
2 director.

3 For the purposes of this subsection, "sampling" means the selling  
4 at a nominal charge or the gratuitous offering of an open container  
5 not exceeding four ounces of any malt alcoholic beverage product.  
6 For the purposes of this subsection, "product" means any malt  
7 alcoholic beverage that is produced on the premises licensed under  
8 this subsection.

9 Plenary winery license. 2a. Provided that the holder is  
10 engaged in growing and cultivating grapes or fruit used in the  
11 production of wine on at least three acres on, or adjacent to, the  
12 winery premises, the holder of this license shall be entitled, subject  
13 to rules and regulations, to produce any fermented wines, and to  
14 blend, fortify and treat wines, and to sell and distribute his products  
15 to wholesalers licensed in accordance with this chapter and to  
16 churches for religious purposes, and to sell and distribute without  
17 this State to any persons pursuant to the laws of the places of such  
18 sale and distribution, and to maintain a warehouse, and to sell his  
19 products at retail to consumers on the licensed premises of the  
20 winery for consumption on or off the premises and to offer samples  
21 for sampling purposes only. The fee for this license shall be \$938.  
22 A holder of this license who produces not more than 250,000  
23 gallons per year shall also have the right to sell and distribute his  
24 products to retailers licensed in accordance with this chapter, except  
25 that the holder of this license shall not use a common carrier for  
26 such distribution. The fee for this additional privilege shall be  
27 graduated as follows: a licensee who manufactures more than  
28 150,000 gallons, but not in excess of 250,000 gallons per annum,  
29 \$1,000; a licensee who manufactures more than 100,000 gallons,  
30 but not in excess of 150,000 gallons per annum, \$500; a licensee  
31 who manufactures more than 50,000 gallons, but not in excess of  
32 100,000 gallons per annum, \$250; a licensee who manufactures  
33 50,000 gallons or less per annum, \$100. A holder of this license  
34 who produces not more than 250,000 gallons per year shall have the  
35 right to sell such wine at retail in original packages in 15  
36 salesrooms apart from the winery premises for consumption on or  
37 off the premises and for sampling purposes for consumption on the  
38 premises, at a fee of \$250 for each salesroom. Licensees shall not  
39 jointly control and operate salesrooms. Additionally, the holder of  
40 this license who produces not more than 250,000 gallons per year  
41 may ship not more than 12 cases of wine per year, subject to  
42 regulation, to any person within or without this State over 21 years  
43 of age for personal consumption and not for resale. A case of wine  
44 shall not exceed a maximum of nine liters. A copy of the original  
45 invoice shall be available for inspection by persons authorized to  
46 enforce the alcoholic beverage laws of this State for a minimum  
47 period of three years at the licensed premises of the winery. For the  
48 purposes of this subsection, "sampling" means the selling at a

1 nominal charge or the gratuitous offering of an open container not  
2 exceeding one and one-half ounces of any wine.

3 A holder of this license who produces not more than 250,000  
4 gallons per year shall not own, either in whole or in part, or hold,  
5 either directly or indirectly, any interest in a winery that produces  
6 more than 250,000 gallons per year. In addition, a holder of this  
7 license who produces more than 250,000 gallons per year shall not  
8 own, either in whole or in part, or hold, either directly or indirectly,  
9 any interest in a winery that produces not more than 250,000  
10 gallons per year. For the purposes of this subsection, "product"  
11 means any wine that is produced, blended, fortified, or treated by  
12 the licensee on its licensed premises situated in the State of New  
13 Jersey. For the purposes of this subsection, "wine" shall include  
14 "hard cider" and "mead" as defined in this section.

15 Farm winery license. 2b. The holder of this license shall  
16 be entitled, subject to rules and regulations, to manufacture any  
17 fermented wines and fruit juices in a quantity to be expressed in  
18 said license, dependent upon the following fees and not in excess of  
19 50,000 gallons per year and to sell and distribute his products to  
20 wholesalers and retailers licensed in accordance with this chapter  
21 and to churches for religious purposes and to sell and distribute  
22 without this State to any persons pursuant to the laws of the places  
23 of such sale and distribution, and to maintain a warehouse and to  
24 sell at retail to consumers for consumption on or off the licensed  
25 premises and to offer samples for sampling purposes only. The  
26 license shall be issued only when the winery at which such  
27 fermented wines and fruit juices are manufactured is located and  
28 constructed upon a tract of land exclusively under the control of the  
29 licensee, provided that the licensee is actively engaged in growing  
30 and cultivating an area of not less than three acres on or adjacent to  
31 the winery premises and on which are growing grape vines or fruit  
32 to be processed into wine or fruit juice; and provided, further, that  
33 for the first five years of the operation of the winery such fermented  
34 wines and fruit juices shall be manufactured from at least 51  
35 percent grapes or fruit grown in the State and that thereafter they  
36 shall be manufactured from grapes or fruit grown in this State at  
37 least to the extent required for labeling as "New Jersey Wine" under  
38 the applicable federal laws and regulations. The containers of all  
39 wine sold to consumers by such licensee shall have affixed a label  
40 stating such information as shall be required by the rules and  
41 regulations of the Director of the Division of Alcoholic Beverage  
42 Control. The fee for this license shall be graduated as follows: to so  
43 manufacture between 30,000 and 50,000 gallons per annum, \$375;  
44 to so manufacture between 2,500 and 30,000 gallons per annum,  
45 \$250; to so manufacture between 1,000 and 2,500 gallons per  
46 annum, \$125; to so manufacture less than 1,000 gallons per annum,  
47 \$63. No farm winery license shall be held by the holder of a plenary

1 winery license or be situated on a premises licensed as a plenary  
2 winery.

3 The holder of this license shall also have the right to sell and  
4 distribute his products to retailers licensed in accordance with this  
5 chapter, except that the holder of this license shall not use a  
6 common carrier for such distribution. The fee for this additional  
7 privilege shall be \$100. The holder of this license shall have the  
8 right to sell his products in original packages at retail to consumers  
9 in 15 salesrooms apart from the winery premises for consumption  
10 on or off the premises, and for sampling purposes for consumption  
11 on the premises, at a fee of \$250 for each salesroom. Licensees  
12 shall not jointly control and operate salesrooms. Additionally, the  
13 holder of this license may ship not more than 12 cases of wine per  
14 year, subject to regulation, to any person within or without this  
15 State over 21 years of age for personal consumption and not for  
16 resale. A case of wine shall not exceed a maximum of nine liters. A  
17 copy of the original invoice shall be available for inspection by  
18 persons authorized to enforce the alcoholic beverage laws of this  
19 State for a minimum period of three years at the licensed premises  
20 of the winery. For the purposes of this subsection, "sampling"  
21 means the selling at a nominal charge or the gratuitous offering of  
22 an open container not exceeding one and one-half ounces of any  
23 wine.

24 A holder of this license who produces not more than 250,000  
25 gallons per year shall not own, either in whole or in part, or hold,  
26 either directly or indirectly, any interest in a winery that produces  
27 more than 250,000 gallons per year.

28 Unless otherwise indicated, for the purposes of this subsection,  
29 with respect to farm winery licenses, "manufacture" means the  
30 vinification, aging, storage, blending, clarification, stabilization and  
31 bottling of wine or juice from New Jersey fruit to the extent  
32 required by this subsection.

33 For the purposes of this subsection, "wine" shall include "hard  
34 cider" and "mead" as defined in this section.

35 Wine blending license. 2c. The holder of this license shall  
36 be entitled, subject to rules and regulations, to blend, treat, mix, and  
37 bottle fermented wines and fruit juices with non-alcoholic  
38 beverages, and to sell and distribute his products to wholesalers and  
39 retailers licensed in accordance with this chapter, and to sell and  
40 distribute without this State to any persons pursuant to the laws of  
41 the places of such sale and distribution, and to maintain a  
42 warehouse. The fee for this license shall be \$625.

43 For the purposes of this subsection, "wine" shall include "hard  
44 cider" and "mead" as defined in this section.

45 Instructional winemaking facility license. 2d. The holder  
46 of this license shall be entitled, subject to rules and regulations, to  
47 instruct persons in and provide them with the opportunity to  
48 participate directly in the process of winemaking and to directly

1 assist such persons in the process of winemaking while in the  
2 process of instruction on the premises of the facility. The holder of  
3 this license also shall be entitled to manufacture wine on the  
4 premises not in excess of an amount of 10 percent of the wine  
5 produced annually on the premises of the facility, which shall be  
6 used only to replace quantities lost or discarded during the  
7 winemaking process, to maintain a warehouse, and to offer samples  
8 produced by persons who have received instruction in winemaking  
9 on the premises by the licensee for sampling purposes only on the  
10 licensed premises for the purpose of promoting winemaking for  
11 personal or household use or consumption. Wine produced on the  
12 premises of an instructional winemaking facility shall be used,  
13 consumed or disposed of on the facility's premises or distributed  
14 from the facility's premises to a person who has participated  
15 directly in the process of winemaking for the person's personal or  
16 household use or consumption. The holder of this license may sell  
17 mercantile items traditionally associated with winemaking and  
18 novelty wearing apparel identified with the name of the  
19 establishment licensed under the provisions of this section. The  
20 holder of this license may use the licensed premises for an event or  
21 affair, including an event or affair at which a plenary retail  
22 consumption licensee serves alcoholic beverages in compliance  
23 with all applicable statutes and regulations promulgated by the  
24 director. The fee for this license shall be \$1,000. For the purposes  
25 of this subsection, "sampling" means the gratuitous offering of an  
26 open container not exceeding one and one-half ounces of any wine.

27 For the purposes of this subsection, "wine" shall include "hard  
28 cider" and "mead" as defined in this section.

29 Out-of-State winery license. 2e. Provided that the  
30 applicant does not produce more than 250,000 gallons of wine per  
31 year, the holder of a valid winery license issued in any other state  
32 may make application to the director for this license. The holder of  
33 this license shall have the right to sell and distribute his products to  
34 wholesalers licensed in accordance with this chapter and to sell  
35 such wine at retail in original packages in 16 salesrooms apart from  
36 the winery premises for consumption on or off the premises at a fee  
37 of \$250 for each salesroom. Licensees shall not jointly control and  
38 operate salesrooms. The annual fee for this license shall be \$938.  
39 A copy of a current license issued by another state shall accompany  
40 the application. The holder of this license also shall have the right  
41 to sell and distribute his products to retailers licensed in accordance  
42 with this chapter, except that the holder of this license shall not use  
43 a common carrier for such distribution. The fee for this additional  
44 privilege shall be graduated as follows: a licensee who  
45 manufactures more than 150,000 gallons, but not in excess of  
46 250,000 gallons per annum, \$1,000; a licensee who manufactures  
47 more than 100,000 gallons, but not in excess of 150,000 gallons per  
48 annum, \$500; a licensee who manufactures more than 50,000

1 gallons, but not in excess of 100,000 gallons per annum, \$250; a  
2 licensee who manufactures 50,000 gallons or less per annum, \$100.  
3 Additionally, the holder of this license may ship not more than 12  
4 cases of wine per year, subject to regulation, to any person within or  
5 without this State over 21 years of age for personal consumption  
6 and not for resale. A case of wine shall not exceed a maximum of  
7 nine liters. A copy of the original invoice shall be available for  
8 inspection by persons authorized to enforce the alcoholic beverage  
9 laws of this State for a minimum period of three years at the  
10 licensed premises of the winery.

11 The licensee shall collect from the customer the tax due on the  
12 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30  
13 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of  
14 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"  
15 R.S.54:41-1 et seq. The Director of the Division of Taxation in the  
16 Department of the Treasury shall promulgate such rules and  
17 regulations necessary to effectuate the provisions of this paragraph,  
18 and may provide by regulation for the co-administration of the tax  
19 due on the delivery of alcoholic beverages pursuant to the  
20 "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the  
21 administration of the tax due on the sale pursuant to the "Sales and  
22 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

23 A holder of this license who produces not more than 250,000  
24 gallons per year shall not own, either in whole or in part, or hold,  
25 either directly or indirectly, any interest in a winery that produces  
26 more than 250,000 gallons per year.

27 For the purposes of this subsection, "wine" shall include "hard  
28 cider" and "mead" as defined in this section.

29 Cidery and meadery license. 2f. The holder of this  
30 license shall be entitled, subject to rules and regulations, to  
31 manufacture hard cider and mead and to sell and distribute these  
32 products to wholesalers and retailers licensed in accordance with  
33 this chapter, and to sell and distribute without this State to any  
34 persons pursuant to the laws of the places of such sale and  
35 distribution, and to maintain a warehouse. The holder of this  
36 license shall be entitled to sell these products at retail to consumers  
37 on the licensed premises for consumption on or off the premises and  
38 to offer samples for sampling purposes only. The holder of this  
39 license shall be permitted to offer for sale or make the gratuitous  
40 offering of packaged crackers, chips, nuts, and similar snacks to  
41 consumers, but shall not operate a restaurant on the licensed  
42 premises. The fee for this license shall be \$938.

43 The holder of this license shall be entitled to manufacture hard  
44 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons  
45 capacity per year. With respect to the sale and distribution of hard  
46 cider to a wholesaler, the licensee shall be subject to the same  
47 statutory and regulatory requirements as a brewer, and hard cider  
48 shall be considered a malt alcoholic beverage, for the purposes of



1 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243  
2 (C.33:1-93.12 et seq.). The holder of this license shall not directly  
3 ship hard cider either within or without this State.

4 The holder of this license shall be entitled to manufacture not  
5 more than 250,000 gallons of mead per year. The holder of this  
6 license may ship not more than 12 cases of mead per year, subject  
7 to regulation, to any person within or without this State over 21  
8 years of age for personal consumption and not for resale. A case of  
9 mead shall not exceed a maximum of nine liters. A copy of the  
10 original invoice shall be available for inspection by persons  
11 authorized to enforce the alcoholic beverage laws of this State for a  
12 minimum period of three years at the licensed premises. As used in  
13 this subsection:

14 "Hard cider" means a fermented alcoholic beverage derived  
15 primarily from apples, pears, apple juice concentrate and water, or  
16 pear juice concentrate and water, which may include spices, herbs,  
17 honey, or other flavoring, and which contains at least one half of  
18 one percent but less than eight and one half percent alcohol by  
19 volume.

20 "Mead" means an alcoholic beverage primarily made from  
21 honey, water, and yeast, and which may contain fruit, fruit juices,  
22 spices, or herbs added before or after fermentation has completed,  
23 except that the ratio of fermentable sugars from fruit or fruit juices  
24 shall not exceed 49 percent of the total fermentable sugars used to  
25 produce mead.

26 "Sampling" means the selling at a nominal charge or the  
27 gratuitous offering of an open container not exceeding four ounces  
28 of hard cider or mead produced on the licensed premises.

29 Direct wine shipping license. 2g. The holder of a valid winery  
30 license issued in this State or any other state who owns, either in  
31 whole or in part, or holds, either directly or indirectly, any interest  
32 in a winery that produces more than 250,000 gallons per year may  
33 make application to the director for this license. The annual fee for  
34 this license shall be \$938. A winery licensee operating in another  
35 State shall include a copy of a current license in the application.  
36 The holder of this license may ship not more than 12 cases of wine  
37 per year, subject to regulation, to any person within or without this  
38 State over 21 years of age for personal consumption and not for  
39 resale. A case of wine shall not exceed a maximum of nine liters. A  
40 copy of the original invoice shall be available for inspection by  
41 persons authorized to enforce the alcoholic beverage laws of this  
42 State for a minimum period of three years at the licensed premises  
43 of the winery.

44 The licensee shall collect from the customer the tax due on the  
45 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30  
46 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of  
47 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"  
48 R.S.54:41-1 et seq. The Director of the Division of Taxation in the

1 Department of the Treasury shall promulgate rules and regulations  
2 necessary to effectuate the provisions of this paragraph, and may  
3 provide by regulation for the co-administration of the tax due on the  
4 delivery of alcoholic beverages pursuant to the "Alcoholic beverage  
5 tax law," R.S.54:41-1 et seq. with the administration of the tax due  
6 on the sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30  
7 (C.54:32B-1 et seq.).

8 Plenary distillery license. 3a. The holder of this license shall  
9 be entitled, subject to rules and regulations, to manufacture any  
10 distilled alcoholic beverages and rectify, blend, treat and mix, and  
11 to sell and distribute his products to wholesalers and retailers  
12 licensed in accordance with this chapter, and to sell and distribute  
13 without this State to any persons pursuant to the laws of the places  
14 of such sale and distribution, and to maintain a warehouse. The fee  
15 for this license shall be \$12,500.

16 Limited distillery license. 3b. The holder of this license shall  
17 be entitled, subject to rules and regulations, to manufacture and  
18 bottle any alcoholic beverages distilled from fruit juices and rectify,  
19 blend, treat, mix, compound with wine and add necessary  
20 sweetening and flavor to make cordial or liqueur, and to sell and  
21 distribute to wholesalers and retailers licensed in accordance with  
22 this chapter, and to sell and distribute without this State to any  
23 persons pursuant to the laws of the places of such sale and  
24 distribution and to warehouse these products. The fee for this  
25 license shall be \$3,750.

26 Supplementary limited distillery license. 3c. The holder of  
27 this license shall be entitled, subject to rules and regulations, to  
28 bottle and rebottle, in a quantity to be expressed in said license,  
29 dependent upon the following fees, alcoholic beverages distilled  
30 from fruit juices by such holder pursuant to a prior plenary or  
31 limited distillery license, and to sell and distribute his products to  
32 wholesalers and retailers licensed in accordance with this chapter,  
33 and to sell and distribute without this State to any persons pursuant  
34 to the laws of the places of such sale and distribution, and to  
35 maintain a warehouse. The fee for this license shall be graduated as  
36 follows: to so bottle and rebottle not more than 5,000 wine gallons  
37 per annum, \$313; to so bottle and rebottle not more than 10,000  
38 wine gallons per annum, \$625; to so bottle and rebottle without  
39 limit as to amount, \$1,250.

40 Craft distillery license. 3d. The holder of this license shall  
41 be entitled, subject to rules and regulations, to manufacture not  
42 more than 20,000 gallons of distilled alcoholic beverages, to rectify,  
43 blend, treat and mix distilled alcoholic beverages, to sell and  
44 distribute this product to wholesalers and retailers licensed in  
45 accordance with this chapter, and to sell and distribute without this  
46 State to any persons pursuant to the laws of the places of such sale  
47 and distribution, and to maintain a warehouse. The holder of this  
48 license shall be entitled to sell this product at retail to consumers on

1 the licensed premises of the distillery for consumption on the  
2 premises, but only in connection with a tour of the distillery, and  
3 for consumption off the premises in a quantity of not more than five  
4 liters per person. In addition, the holder of this license may offer  
5 any person not more than three samples per calendar day for  
6 sampling purposes only. For the purposes of this subsection,  
7 "sampling" means the gratuitous offering of an open container not  
8 exceeding one-half ounce serving of distilled alcoholic beverage  
9 produced on the distillery premises. Nothing in this subsection shall  
10 be deemed to permit the direct shipment of distilled spirits either  
11 within or without this State.

12 The holder of this license shall not sell food or operate a  
13 restaurant on the licensed premises. A holder of this license who  
14 certifies that not less than 51 percent of the raw materials used in  
15 the production of distilled alcoholic beverages under this section are  
16 grown in this State or purchased from providers located in this State  
17 may, consistent with all applicable federal laws and regulations,  
18 label these distilled alcoholic beverages as "New Jersey Distilled."  
19 The fee for this license shall be \$938.

20 Rectifier and blender license. 4. The holder of this  
21 license shall be entitled, subject to rules and regulations, to rectify,  
22 blend, treat and mix distilled alcoholic beverages, and to fortify,  
23 blend, and treat fermented alcoholic beverages, and prepare  
24 mixtures of alcoholic beverages, and to sell and distribute his  
25 products to wholesalers and retailers licensed in accordance with  
26 this chapter, and to sell and distribute without this State to any  
27 persons pursuant to the laws of the places of such sale and  
28 distribution, and to maintain a warehouse. The fee for this license  
29 shall be \$7,500.

30 Bonded warehouse bottling license. 5. The holder of this  
31 license shall be entitled, subject to rules and regulations, to bottle  
32 alcoholic beverages in bond on behalf of all persons authorized by  
33 federal and State law and regulations to withdraw alcoholic  
34 beverages from bond. The fee for this license shall be \$625. This  
35 license shall be issued only to persons holding permits to operate  
36 Internal Revenue bonded warehouses pursuant to the laws of the  
37 United States.

38 The provisions of section 21 of P.L.2003, c.117 amendatory of  
39 this section shall apply to licenses issued or transferred on or after  
40 July 1, 2003, and to license renewals commencing on or after July  
41 1, 2003.

42 (cf: P.L.2017, c.80, s.1)

43

44 2. This act shall take effect immediately.

STATEMENT

This bill allows New Jersey wineries and out-of-State wineries that annually produce more than 250,000 gallons to directly ship wine to consumers.

Under current law, small plenary wineries that produce 250,000 gallons or less per year and farm wineries are permitted to directly ship wine to New Jersey residents and consumers residing in other states. In addition, out-of-State wineries that annually produce 250,000 gallons or less may obtain a license to directly ship wine to New Jersey residents. Wineries that produce more than the 250,000 gallon capacity cap are currently prohibited from directly shipping wine.

This bill establishes a license to allow the holder of a New Jersey winery license or an out-of-State winery that exceeds the 250,000 gallon capacity cap to directly ship up to 12 cases of wine annually to any person over the age of 21.